

SAUDI ARAMCO APPLICATION UNDER SECTION 23101.5
Summary and Staff Recommendation

Summary

On November 21, 1977, Arabian American Oil Company (Aramco) filed an application for a determination under section 23101.5 of the Revenue and Taxation Code¹ that neither it nor its affiliates (including Aramco Services Company (ASC) and Aramco Overseas Company B.V. (AOC B.V.), were doing business in California as the result of either their procurement activities or student activities. On January 10, 1978, the Franchise Tax Board determined that Aramco and its affiliates were not doing business in California or deriving income from California sources. Aramco and its affiliates continued their California activities and complied with the requirements of Title 18, California Code of Regulations², section 23101.5 through year 1983. At that time, due to a depression in the oil business, Aramco virtually ceased its California activities.

In 1988, Aramco was acquired by the Saudi Arabian government and became Saudi Aramco. In 1989, Saudi Aramco began a major period of expansion. Its California activities, as described in its Application for Determination Under section 23101.5, attached, are virtually the same as those that this Board previously determined to be within the purview of that section. On June 26, 1990, Saudi Aramco filed a new application for a determination under section 23101.5 that neither it nor its affiliates were doing business in California or deriving income from California sources as a result of these activities. On July 17, 1990, the Franchise Tax Board determined that Saudi Aramco and its affiliates were not doing business in California or deriving income from California sources. On June 26, 1995, the Franchise Tax Board granted the request of Saudi Aramco for a five-year extension of the Board's determination that Saudi Aramco and its affiliates were not doing business in California or deriving income from California sources as a result of either their procurement activities or student activities. On July 5, 2000, the Franchise Tax Board granted the request of Saudi Aramco for a five-year extension of the Board's determination that Saudi Aramco and its affiliates were not doing business in California or deriving income from California sources as a result of either their procurement activities or student activities. For each of the past five years, Saudi Aramco has timely filed the annual notice required by subsections (d) and (g)³ of regulation 23101.5. Saudi Aramco now requests another five-year extension of a determination under section 23101.5.

Procurement Activities

Historically, Saudi Aramco and its predecessor have looked to the United States, and more specifically, California, to procure substantial engineering services and to purchase specialized oil field equipment such as large pumps, compressors, valves, digital control systems, electrical

¹ All references are to the California Revenue and Taxation Code unless stated otherwise.

² All references are to Title 18, California Code of Regulations unless stated otherwise.

³ Beginning in year 2001, regulation 23101.5 subsection (f) was renumbered to subsection (g).

switching, power utility equipment, and specialty lumber. Saudi Aramco competitively bids its contracts, so no accurate estimate of future California purchases can be made. However, during the past 15 years, the applicants' have had contracts with more than 200 California vendors. In addition, since its first application, California purchases are estimated to exceed one billion dollars.

As Aramco did beginning in 1977, Saudi Aramco plans to assign a number of project management personnel, not to exceed 200, to California to assist one or more project management contractors in their duties. These employees will be temporarily present in California for periods of up to 36 months. The number of employees will depend on contract outlays and capital budget needs.

No Saudi Aramco or affiliate office will be maintained for the employees in California and all of their activities will be carried out in the respective contractors' offices. Initially, the employees will be involved in the review of contractor-provided bids for the supply of goods and services. These bids, if accepted, will result in the issuance of purchase orders in California and elsewhere. The purchase orders will be issued in the name of Saudi Aramco or ASC. The orders may be issued either by the contractor after approval by the project team employees, or may be issued by the project team employees of behalf of ASC. Over time, the employees will become involved in monitoring and inspecting the quality of goods, establishment of production schedules, and expediting services.

All personal property and services contracted for will be destined for use in Saudi Arabia by Saudi Aramco. In the event of unforeseen delays in some projects, certain of the goods purchased may be required to be stored temporarily in California pending export. In addition, equipment owned by ASC may be shipped to a California contractor for assembly, after which it would be exported to Saudi Arabia.

Student Activities

Saudi Aramco has had Saudi Arabian students enrolled in various California schools and colleges for many years under the "Exchange Visitor Program" (section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. §1101)). The applicants expect that if a favorable determination is granted, student enrollment would continue at prior levels and possibly increase over time.

Staff Recommendation

Based on the information provided by Saudi Aramco in support of its application for an extension, staff has determined that the procurement and student activities of Saudi Aramco and its affiliates continue to meet the criteria set forth in section 23101.5. Therefore, staff recommends that the Board determine that Saudi Aramco, ASC, and AOC B.V. are not doing business in this state for purposes of Chapter 2 of the Corporation Tax law, or deriving income

from California sources for purposes of Chapter 3 of the Corporation Tax law, for another five-year period.

Resolution Renewing Determination That Saudi Arabian Oil Company, Aramco Services Company, And Aramco Overseas Company B.V. Are Not Doing Business In This State Or Deriving Income From Sources Within This State

The California State Legislature enacted section 23101.5 of the Revenue and Taxation Code, which provides that if a corporation's operations in this state are limited to specified procurement activities, the Franchise Tax Board may determine that the corporation is not doing business in this state for purposes of Chapter 2 of the Corporation Tax Law or deriving income from sources within this state for purposes of Chapter 3 of the Corporation Tax Law.

On July 17, 1990, this Board determined that Saudi Arabian Oil Company, Aramco Services Company, and Aramco Overseas Company B.V. were not doing business in this state for purposes of Chapter 2 of the Corporation Tax law or deriving income from sources within this state for purposes of Chapter 3 of the Corporation Tax law. The Board renewed that determination for a five-year period on July 26, 1995 and July 5, 2000.

These entities have made an application for a renewal of this Board's determination under section 23101.5, complying fully with the procedures set forth under Regulation 23101.5.

This Board has determined that the applicants continue to meet the criteria set forth in section 23101.5.

Therefore, the Franchise Tax Board hereby determined that Saudi Arabian Oil Company, Aramco Services Company, and Aramco Overseas Company B.V. are not doing business in this state for purposes of Chapter 2 of the Corporation Tax law or deriving income from sources within this state for purposes of Chapter 3 of the Corporation Tax law. This determination shall remain in force for a five-year period, so long as Saudi Arabian Oil Company, Aramco Services Company, and Aramco Overseas Company B.V. continue to meet the criteria set forth in section 23101.5 of the Revenue and Taxation Code.

Steve Westley, Chair or
Authorized Representative

John Chiang, or
Authorized Representative

Tom Campbell, or
Authorized Representative

Dated: _____

Attest: _____

Board Secretary

Resolution 2005-_____



PILLSBURY WINTHROP_{LLP}

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March 10, 2005

Jeffrey M. Vesely
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VIA FEDERAL EXPRESS

John W. Davies
Chief Counsel
Franchise Tax Board
9646 Butterfield Way
Sacramento, CA 95827

Re: APPLICATION FOR DETERMINATION
UNDER SECTION 23101.5(a) OF THE
REVENUE AND TAXATION CODE

Dear Mr. Davies:

Pursuant to Section 23101.5(b) of the Revenue and Taxation Code, and Regulation Section 23101.5(g),¹ Saudi Arabian Oil Company ("Saudi Aramco"), Aramco Services Company ("ASC"), and Aramco Overseas Company B.V. ("AOC B.V.") hereby jointly request that the Franchise Tax Board ("the Board") renew the exclusion granted to them by again determining that neither the companies nor their affiliates (1) are doing business in the State of California; (2) are deriving income from sources within this state subjecting them to the corporation income tax under Chapter 3; and (3) have income from sources within California subject to Chapter 2.5 relating to the tax on preference items. Unless the context requires otherwise, references to Saudi Aramco include Saudi Aramco, ASC, AOC B.V., and each of their affiliates.

PRIOR RULINGS

In November 1977, Arabian American Oil Company ("Aramco"), ASC, and Aramco Overseas Company ("AOC") filed a joint request for determination with the Board pursuant to Section 23101.5(a) that none of such corporations was deemed to be doing business for purposes of Chapters 2, 2.5 and 3 of the Bank and Corporation Tax Law with

¹ Unless otherwise indicated, all statutory references are to the Revenue and Taxation Code and all regulatory references are to Title 18 of the California Code of Regulations.

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respect to their activities within California. On January 10, 1978, the Board issued a ruling which provided that Aramco and its affiliates met the criteria set forth in Section 23101.5 and granted an exclusion under this provision. A copy of this ruling is attached as Exhibit A.

On June 26, 1990, Saudi Aramco and ASC filed a joint request for determination with the Board pursuant to Section 23101.5(a) that neither of such companies was deemed to be doing business in nor deriving income from sources within California for purposes of Chapters 2, 2.5, and 3 of the Bank and Corporation Tax Law. On July 17, 1990, the Board issued a ruling which provided that Saudi Aramco and ASC and their affiliates met the criteria set forth in Section 23101.5 and granted an exclusion under this provision. A copy of this ruling is attached as Exhibit B.

On June 26, 1995, Saudi Aramco, ASC and AOC B.V. filed a joint request for determination with the Board pursuant to Section 23101.5(a) that none of such companies was deemed to be doing business in nor deriving income from sources within California for purposes of Chapters 2, 2.5 and 3 of the Bank and Corporation Tax Law. On August 3, 1995, the Board issued a ruling which provided that Saudi Aramco, ASC and AOC B.V. and their affiliates met the criteria set forth in Section 23101.5 and granted an exclusion under this provision. A copy of this ruling is attached as Exhibit C.

On May 26, 2000, Saudi Aramco, ASC and AOC B.V. filed a joint request for determination with the Board pursuant to Section 23101.5(a) that none of such companies was deemed to be doing business in nor deriving income from sources within California for purposes of Chapters 2, 2.5, and 3 of the Bank and Corporation Tax Law. On July 5, 2000, the Board issued a ruling which provided that Saudi Aramco, ASC and AOC B.V. and their affiliates met the criteria set forth in Section 23101.5 and granted an exclusion under this provision. A copy of this ruling is attached as Exhibit D. The ruling provides that it shall remain in effect for five years. For each of the past five years, Saudi Aramco, ASC and AOC B.V. have timely filed the annual notice required by Section 23101.5(d) and Regulation 23101.5(g). We respectfully request a renewal of the exclusion under Section 23101.5 for Saudi Aramco, ASC and AOC B.V. and their affiliates.

HISTORICAL BACKGROUND

In April 1980, as part of the continuing acquisition by the Saudi Arab Government of Aramco's assets, Aramco transferred beneficial interest of its assets to the Government. Thereafter, the legal title to the assets was held by Aramco until the Government created a legal entity to own and operate the assets. The Board was advised of these facts.

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On November 21, 1988, Saudi Aramco was formed pursuant to a Royal Decree of the Government of Saudi Arabia. Shortly thereafter, all of the common stock of ASC, AOC, and TransArabian Pipe Line Company was transferred to Saudi Aramco. During the first quarter of 1990, the entire workforce of Aramco was transferred to Saudi Aramco, and pursuant to an agreement between Aramco and Saudi Aramco, dated June 10, 1990, legal title to all assets formerly held by Aramco were transferred to Saudi Aramco. Following the above, Saudi Aramco has conducted and will continue to conduct essentially the same business functions formerly conducted by Aramco. In addition, AOC was dissolved and a new company, AOC B.V., was formed in The Netherlands to provide procurement and engineering services in Europe.

Saudi Aramco is headquartered in Dhahran, Saudi Arabia, and is engaged in the exploration, development, production, refining and transportation of crude oil produced from within Saudi Arabia. In connection with its operations, Saudi Aramco contracts for the design and construction of large industrial development projects. ASC, a Delaware corporation, is headquartered in Houston, Texas, and acts as the United States service and procurement subsidiary of Saudi Aramco. While Saudi Aramco and its subsidiaries can be viewed as conducting a single unitary business, only Saudi Aramco, ASC, and AOC B.V. have or are expected to have any contact with California. Because of the close relationship between these corporations and the many intercompany transactions, it was felt that a joint application would present a clearer overall picture of the proposed procurement and activities of these companies in California and would avoid duplication.

In the furtherance of this effort, and pursuant to Section 23101.5(d), Saudi Aramco, ASC, and AOC B.V. set forth the following:

PROCUREMENT ACTIVITIES

1. Applicants' Corporate Name and Federal Employer Identification Number, if any.

Saudi Arabian Oil Company, 98-0105730
Aramco Services Company, 13-6067778
Aramco Overseas Company B.V., 52-1688706

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2. Applicants' Mailing Address.

Saudi Arabian Oil Company
Box 5000
Dhahran 31311 Saudi Arabia

Aramco Services Company
9009 West Loop South
Houston, Texas 77096

Aramco Overseas Company B.V.
Schuttersveld-14
2316 ZB
Leiden, The Netherlands

3. Applicants' Date of Incorporation/Organization.

Saudi Aramco:	November 21, 1988
ASC:	September 29, 1950
AOC B.V.:	December 18, 1989

4. Applicants' Accounting Period for Tax Purposes.

Applicants are on a calendar year accounting period for tax purposes.

5. Years Applicants Have Filed California Franchise Tax or Corporate Income Tax Returns Within the Four Years Preceding the Income Year for Which the Exclusion is Sought.

Pursuant to the existing exclusion granted by the Board, Applicants have not qualified to do business in California and have not filed any franchise or corporate income tax returns.

6. Corporations in Which Applicants Own 50 Percent or More of the Voting Stock.

Saudi Aramco owns all the stock of ASC, Bolanter Corporation, N.V. ("Bolanter"), and Vela International Marine Limited ("Vela"); and interests in four refining companies located in Saudi Arabia. Bolanter is incorporated under the laws of the Netherlands

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Antilles and Vela is incorporated under the laws of The Republic of Liberia. None of these companies nor their subsidiaries conduct business in California.

ASC owns all of the voting stock of Saudi Refining, Inc. ("SRI"), Saudi Petroleum International, Inc. ("SPII"), and Aramco Associated Company ("AAC"). None of the ASC subsidiaries conduct business in California.

AOC B.V. does not own 50 percent or more of the voting stock of any corporation.

7. Corporations Which Own 50 Percent or More of Applicants' Voting Stock.

No corporation owns 50 percent or more of Saudi Aramco's stock. Saudi Aramco owns all of the voting stock of ASC. Bolanter owns all of the voting stock of AOC B.V.

8. Names and Addresses of Businesses or Individuals with Which the Applicants Expect to or Have Purchased Personal Property or Services and Which Are to be Covered by the Exclusion.

(a) Prior California Procurement Activity.

Historically, Saudi Aramco and its predecessor (Aramco), have been major purchasers of goods manufactured in California and services rendered in California. Although an exact figure cannot be given for the volume of business which has been transacted, the amount certainly exceeds one billion dollars. Since the time records have been kept which segregated California contracting activity, contracts have been executed with more than 3,000 vendors of California goods and services. It should be emphasized that these contracts have been negotiated and executed outside of California.

Over the past 15 years, Saudi Aramco has had contracts with more than 200 California parties. A list of vendors and parties with whom ASC has entered into contracts over the past 15 years, including the active ones, is attached as Exhibit E. There is a wide range of goods and services provided under these contracts, from the purchase of software to joint geophysical research at California colleges and universities. Saudi Aramco also has contracts with non-California vendors which have California subsidiaries or plants which carry out some contract activities in California.

Although the value of contracts with California vendors rises and falls with overall business activity, Aramco has awarded in the past major projects to California vendors and contractors. Some of these projects were so large that a number of employees were

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temporarily present in California to manage the projects. For this reason, Aramco sought and obtained the tax exclusion under Section 23101.5 from this Board in 1977 in order to increase its level of procurement activity in California.

(b) Planned California Procurement Activity.

Saudi Aramco plans its capital budgets on the basis of a five-year plan. For the plan period ending in 2010, Saudi Aramco's capital budget is expected to exceed four billion dollars. Historically, Saudi Aramco has looked to the United States for substantial engineering services and for the purchase of specialized oil field equipment, such as large pumps, compressors, valves, digital control systems, electrical switching, power utility equipment and specialty lumber.

Saudi Aramco competitively bids its contracts, and hence no estimate can be given as to the future volume of California purchases. However, many California vendors, such as Fluor, Bechtel and Parsons, are well positioned to provide bids on the goods and services. The California tax consequences of procurement activities will be an element in deciding the award of contracts.

9. To the Extent Determinable, the Names of Employees Applicants Expect to be Present in this State During the Income Year, and the Expected Duration of Each Employee's Presence in the State.

It is not possible at this time to state the names of the employees who will be present in California and the expected duration of their stay. However, the following is a general description of how the proposed "Project Teams" would operate in California.

As Aramco did beginning in 1977, Saudi Aramco plans to assign a number of project management personnel, not to exceed 200, to California to assist one or more project management contractors in their duties. These employees will be temporarily present in California for periods of up to 36 months. There are currently no employees in California assigned to Project Teams. However, as a result of the tax exclusion obtained under Section 23101.5, there is a possibility that employees will be assigned to California contractor offices throughout the capital budgeting period.

No Saudi Aramco, ASC, or AOC B.V. office will be maintained for the employees in California and all of their activities will be carried out in the respective contractors' offices. Initially, the employees will be involved in the review of contractor-procured bids for the supply of goods and services. These bids, if accepted, will result in the issuance of purchase orders in California and elsewhere. Purchase orders will be issued

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in the name of Saudi Aramco or ASC. The orders may be issued either by the contractor after approval by the project team employees, or may be issued by the project team employees themselves on behalf of Saudi Aramco or ASC. The ability of the employee to issue a purchase order without California tax consequences is crucial to Saudi Aramco's overall project management activities. Over time, the employees will become involved in monitoring and inspecting the quality of goods, establishment of production schedules, and expediting deliveries.

10. To the Extent Determinable, Destination and Use of Personal Property and Services Contracted for Which Are to be Covered by the Exclusion.

Personal property and services contracted for will be destined for use in Saudi Arabia by Saudi Aramco. In the event of unforeseen delays in some projects, certain of the goods purchased may be required to be stored in California temporarily pending export. In addition, equipment owned by ASC may be shipped to a California contractor for assembly, after which it would be exported to Saudi Arabia.

11. The Period for Which the Exclusion Is Requested, or Facts Which Would Support an Exclusion of Indefinite Duration.

Since Saudi Aramco acquired all of the assets of Aramco and continues the same operations and business activities set out in the earlier request, Saudi Aramco requests that the Board rule that the earlier ruling continues to apply to Saudi Aramco.

Alternatively, as indicated in #8 above, while some of the projects involved have determinable completion dates, many of the others are on an on-going basis. In addition, new projects are being developed. Assuming a favorable determination, it is envisioned that Applicants' relationship with California would be a continuing one as long as they continue to perform United States procurement work on behalf of Saudi Aramco. In view of the contemplated continuing nature of the presence here, Applicants respectfully request a determination of exclusion of indefinite duration.

12. The Estimated Number of California Jobs Created and Economic Effect Upon California Resulting From the Activities for Which the Exclusion Is Sought.

It is difficult to speculate on the number of jobs and the overall economic effect upon California from granting a favorable determination, but it appears there would almost certainly be a strong positive impact on the California economy because of the millions

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of dollars of procurement of services and property by Applicants and the potential participation by California companies.

STUDENT ACTIVITIES

1. through 7. See above.

8. Names of Schools, Colleges, and Universities in this State at Which Applicants' Employees are Enrolled, or Are to be Enrolled and the Names of Such Employees to the Extent Known.

Presently, only Saudi Aramco has students enrolled in California, and during 2005, they are identified on the attached Exhibit F. Saudi Aramco (and previously Aramco) has had Saudi Arab students enrolled in various California schools and colleges for many years under the "Exchange Visitor Program" (section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101). It is expected that if a favorable determination is granted, student enrollment would maintain prior levels and possibly increase over a period of time.

Saudi Aramco also sends employees to train with U.S. companies in specific technical areas. See Regulation 23101.5(c). These individuals train with U.S. companies for a maximum of 18 months. See Exhibit F for a list of the trainees during 2005.

9. The Period for Which the Exclusion Is Requested, or Facts Which Support An Exclusion of Indefinite Duration.

It is contemplated that Saudi Aramco and ASC will have students enrolled in various educational institutions in California indefinitely, and, therefore, a determination of exclusion of indefinite duration is requested.

OTHER MINIMAL CALIFORNIA CONTACTS

In addition, Saudi Aramco, ASC, and AOC B.V. have had during 2005, and expect to have in the future, several minimal connections with California. None of these contacts provides a basis for California taxing jurisdiction and it is respectfully submitted that they should be ignored in ruling upon this application.

Such contacts are:

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(a) Bank accounts.

Presently, Applicants do not maintain bank accounts in California. However, in connection with the placement of Project Teams in the State, such accounts may be established in the name of ASC in the future.

(b) Transient employees.

From time to time, a number of "transient" employees will visit California. With rare exceptions, such persons will be present in California for brief periods, normally only a few days. The purposes of such visits vary greatly and range from a nurse visiting a hospital to view a new computer system to employees attending seminars, training sessions, and refresher courses. Only the students, trainees, and Project Team members would be present in California for extended periods.

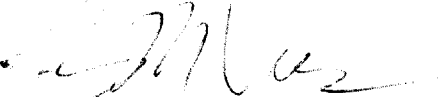
(c) Meetings.

Historically, Aramco has held meetings of its Board of Directors and Executive Committee in Dhahran, the United States and Europe. It is anticipated that Saudi Aramco will continue this practice in the future. Saudi Aramco held a Board meeting in Los Angeles in 1994, but does not anticipate any Board or committee meetings being held in California during 2005.

Thank you for your courtesy and cooperation in connection with this application.

If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,



Jeffrey M. Vesely

Enclosure

cc: D. Brian Macbeth, Esq. (w/enc.)
Ms. Annie H. Huang (w/enc.)

**EXHIBITS TO MARCH 10, 2005
APPLICATION FOR DETERMINATION
UNDER SECTION 23101.5(a) OF THE
REVENUE AND TAXATION CODE**

EXHIBIT A

Resolution Determining Arabian American Oil
Company ("ARAMCO") and Its Affiliates Are Not Doing Business
in This State or Deriving Income From Sources
Within This State

Upon motion of *Mr. Reilly*, seconded by
Mr. Cory and *unanimously* carried,
the Franchise Tax Board adopted the following resolution.

WHEREAS, the California State Legislature enacted Section 23101.5 of the Revenue and Taxation Code which provides that if a corporation's operations in this state are limited to certain specified procurement and student activities, the Franchise Tax Board may determine that a corporation is not doing business in this state for the purpose of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for the purposes of Chapter 3 of the Bank and Corporation Tax Law; and

WHEREAS, this Board adopted Regulation 23101.5 prescribing procedures to be followed in making applications for a determination under Section 23101.5; and

WHEREAS, ARAMCO and its affiliates have made an application for a determination under Section 23101.5, complying fully with the procedures set forth under Regulation 23101.5; and

WHEREAS, this Board met in Executive Session and determined that ARAMCO and its affiliates meet the criteria set forth in Section 23101.5; and

WHEREAS, ARAMCO and its affiliates met said criteria on or before January 1, 1978; and

NOW THEREFORE, the Franchise Tax Board hereby determines that ARAMCO and its affiliates were not doing business in this state for the purposes of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for purposes of Chapter 3 of the Bank and Corporation Tax Law during income year 1977. This determination shall remain in force indefinitely so long as ARAMCO and its affiliates continue to meet the criteria set forth in Section 23101.5.

[Signature]
Member
[Signature]
Member
[Signature]
Member

Dated: *January 10, 1978*

EXHIBIT B

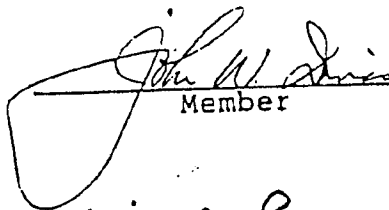
Resolution Determining Saudi Arabian Oil
Company (SAUDI ARAMCO) and Aramco Services Company (ASC)
Are Not Doing Business in This State or Deriving
Income From Sources Within This State

The California State Legislature has enacted Section 23101.5 of the Revenue and Taxation Code which provides that if a corporation's operations in this state are limited to certain specified procurement and student activities, the Franchise Tax Board may determine that a corporation is not doing business in this state for the purpose of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for the purposes of Chapter 3 of the Bank and Corporation Tax Law.

SAUDI ARAMCO and ASC have made an application for a determination under Section 23101.5, complying fully with the procedures set forth under Regulation 23101.5, and

This Board has determined that SAUDI ARAMCO and ASC meet the criteria set forth in Section 23101.5;

Therefore, the Franchise Tax Board hereby determines that SAUDI ARAMCO and ASC are not doing business in this state for the purposes of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for purposes of Chapter 3 of the Bank and Corporation Tax Law. This determination shall remain in force for five years so long as SAUDI ARAMCO and ASC continue to meet the criteria set forth in Section 23101.5.


Member


Member


Member

Dated: July 17, 1990

EXHIBIT C

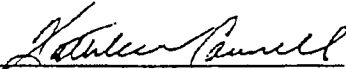
Resolution Determining Saudi Arabian Oil
Company (SAUDI ARAMCO) , Aramco Services Company (ASC)
and Aramco Overseas Company B.V. (AOC)
Are Not Doing Business in This State or Deriving
Income From Sources Within This State

The California State Legislature has enacted Section 23101.5 of the Revenue and Taxation Code which provides that if a corporation's operations in this state are limited to certain specified procurement and student activities, the Franchise Tax Board may determine that a corporation is not doing business in this state for the purposes of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for the purposes of Chapter 3 of the Bank and Corporation Tax Law.

SAUDI ARAMCO, ASC and AOC have made an application for a determination under Section 23101.5, complying fully with the procedures set forth under Regulation 23101.5, and

This Board has determined that SAUDI ARAMCO, ASC and AOC meet the criteria set forth in Section 23101.5;

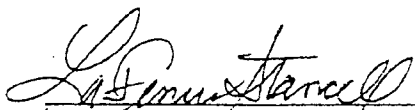
Therefore, the Franchise Tax Board hereby determines that SAUDI ARAMCO, ASC and AOC are not doing business in this state for the purposes of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for the purposes of Chapter 3 of the Bank and Corporation Tax Law. This determination shall remain in force for five years so long as SAUDI ARAMCO, ASC and AOC continue to meet the criteria set forth in Section 23101.5.


Kathleen Connell, Chair or
Authorized Representative

8/31/95
Date

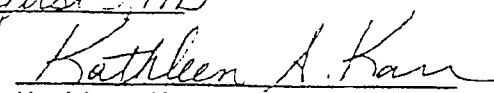
Johan Klehs, Member, or
Authorized Representative

Date


Russell Gould, Member, or
Authorized Representative

8/3/95
Date

Date: August 3, 1995

Attested: 
Kathleen Karr, Board Secretary

Resolution 95- 3

EXHIBIT D

Resolution Renewing Determination That Saudi Arabian Oil Company, Aramco Services Company, and Aramco Overseas Company B. V. Are Not Doing Business in This State or Deriving Income from Sources Within This State

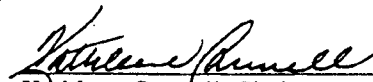
The California State Legislature enacted section 23101.5 of the Revenue and Taxation Code, which provides that if a corporation's operations in this state are limited to specified procurement activities, the Franchise Tax Board may determine that the corporation is not doing business in this state for purposes of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for purposes of Chapter 3 of the Bank and Corporation Tax Law.

On July 17, 1990, this Board determined that Saudi Arabian Oil Company, Aramco Services Company, and Aramco Overseas Company B. V. were not doing business in this state for purposes of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for purposes of Chapter 3 of the Bank and Corporation Tax Law. The Board renewed that determination for a five-year period on July 26, 1995.


These entities have made an application for a renewal of this Board's determination under section 23101.5, complying fully with the procedures set forth under Regulation 23101.5.

This Board has determined that the applicants continue to meet the criteria set forth in section 23101.5.

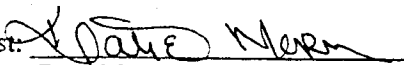
Therefore, the Franchise Tax Board hereby determines that Saudi Arabian Oil Company, Aramco Services Company, and Aramco Overseas Company B. V. are not doing business in this state for purposes of Chapter 2 of the Bank and Corporation Tax Law or deriving income from sources within this state for purposes of Chapter 3 of the Bank and Corporation Tax Law. This determination shall remain in force for a five-year period, so long as Saudi Arabian Oil Company, Aramco Services Company, and Aramco Overseas Company B. V. continue to meet the criteria set forth in section 23101.5 of the Revenue and Taxation Code.


Kathleen Connell, Chair, or
Authorized Representative

Dean Andal, Member, or
Authorized Representative


B. Timothy Gage, Member, or
Authorized Representative

Dated: 7/5/00

Attest: 
Board Secretary

Resolution 2000-07

EXHIBIT E

**CONTRACTS PERFORMING WORK IN THE STATE
OF CALIFORNIA FROM 1/1/90 UNTIL PRESENT**

CA

Contractor Name

Adia Personnel Services

112 Plaza Pasadena

Pasadena CA

Agency, The

16027 Ventura Blvd, Suite 503

Encino CA

Aircraft Technical Publishers

101 South Hill Drive

Brisbane CA

American Association of Petroleum Geologists

1444 South Boulder (74119)

Tulsa OK

American Language Institute

San Diego State University

San Diego CA

Architectural Lighting Design

370 Brannan Street

San Francisco CA

Asg Forwarding, Inc.

458 Main Street

Wakefield MA

Atlantic Richfield Company (ARCO)

444 South Flower Street

Los Angeles CA

Bank Of America / Human Resources #13535

2020 Willow Pass Road, Suite B

Concord CA

CA

Bechtel Petroleum, Inc.

Fifty Beale Street

San Francisco CA

Bechtel Software, Inc.

9801 Washingtonian Blvd.

Gaithersburg MD

Blurock Partnership, The

2300 Newport Boulevard

Newport Beach CA

Boston Consulting Group, The

Two Embarcadero Center, Suite 2800

San Francisco CA

Bowman Design

356 West 7th Street

San Pedro CA

Brown & Root International, Inc.

1000 South Fremont Avenue (Bldg. A-6)

Alhambra CA

Bullis, Douglas

722 North East Street

Anaheim CA

Burdick Group, The

35 South Park

San Francisco CA

C.F. Braun, Inc.

1000 South Fremont Avenue

Alhambra CA

CACI Products Company

3344 North Torrey Pines Court, Ste. 100

La Jolla CA

California Institute of Technology

Materials And Molecular Simulation Cntr.

Pasadena CA

CA

Cendant Mobility Services Corporation
400 E. Las Colinas Blvd, Suite 300
Irving TX

Chevron Corporation
555 Market Street
San Francisco CA

Chevron Research and Technology
100 Chevron Way
Richmond CA

Chevron Worldwide Services, Inc.
6001 Bollinger Canyon Road, Room No. D2320
San Ramon CA

Clark, Brian
7711 Brown Road S.W.
Olympia WA

Club Exxa
595 Market Street
San Francisco CA

Coordinated Equipment Company
1707 East Anaheim Street
Wilmington CA

Crown Industries Ltd.
385 Preda Street
San Leandro CA

Data Securities International, Inc.
9555 Chesapeake Drive, Suite 200
San Diego CA

Digital Equipment Corporation
333 South Grand Avenue (Suite 1400)
Los Angeles CA

Downie, Dana
3404 High Street, #3337
Oakland CA

CA

Duke Engineering and Services
12100 Wilshire Blvd., Suite 430
Los Angeles CA

E.A. Systems, Inc.
960 Atlantic Avenue
Alameda CA

EDP Audit Controls, Inc.
P.O. Box 6028
Oakland CA

Electric Online Systems, Intl. (EOSI)
5838 Edison Place
Carlsbad CA

Emm, Jerri A.
106 Corbett
San Francisco CA

Erkanat, Judy
312 Vineyard Drive
San Jose CA

Executrade Personnel
1102 425 First Street, S.W.
Calgary Alberta

Exxon International Services, Inc.
800 Bell Street, Room 2927b
Houston TX

Farley, Tim
710 Crestmoore Place
Venice CA

Fluor Daniel, Inc. (Prev Daniel Int'L)
3333 Michelson Drive
Irvine CA

FMC Corporation
200 E. Randolph Drive.
Chicago IL

CA

FMC Corporation - Fluid Control Division
2825 W. Washington Street
Stephenville TX

Gabriel, Judith
1529 Edison Blvd.
Burbank CA

Garrett Aviation
17250 Chanute Road
Houston TX

Gemini Industries, Inc.
2311 S. Pullman Street
Santa Ana CA

Global Business Network Service
5900 X Hollis Street
Emeryville CA

Gould, Lark Ellen
1875 Century Park East, Suite 1050
Los Angeles CA

Greene, Betty Patchin
Box 5923
Carmel CA

Griggs International
5616 Geary Blvd.
San Francisco CA

Gulf Western Engineering
214 Douglas Woods Close S.E.
Calgary Alberta

Hanauer, Eric
345 University, Apt. M-3
Costa Mesa CA

Hansen, Eric
918 Ninth Avenue
Sacramento CA

CA

Harnett, Daniel
127 North Cliffwood Avenue
Los Angeles CA

Hertz Corporation, The
5250 West Century Boulevard, Ste. 702
Los Angeles CA

Hofmeister, E.H.
859 Carlingford
Houston TX

Hollywood Film & Video, Inc.
6060 Sunset Blvd.
Hollywood CA

Houston Fearless 76 Inc.
203 W. Artesia Blvet
Compton CA

HPT Inc.(Human Performance Technologies)
P.O. Box 3816
Thousand Oaks CA

Hutchins & Associates
1865 E. Valley Parkway, Suite. 206
Escondido CA

Hydranautics
95 La Patera Lane
Goleta CA

IBM Corporation
Two Riverway, 17th Floor
Houston TX

IMPAQ
1744 West Katela Avenue, suite 3l
Orange CA

Independent Project Analysis, Inc.
11150 Sunset Hills Road, Suite 300
Reston VA

CA

Information Management International
1101 South Winchester Blvd
San Jose CA

Integral Systems
2185 No. California Blvd
Walnut Creek CA

International Conference of Building Officials
5360 S. Workman Mill Road
Whittier CA

International Staffing Consultants, Inc.
500 Newport Center Drive, Suite 300
New Port Beach CA

Interplant Consulting, Inc.
5940 Macleod Trail S. W. (Suite 400)
Calgary Alberta

Intertek Technical Services
1450 Empire Central, #117
Dallas TX

ISL Consulting Company
944 Market Street, 6th Floor
San Francisco CA

ITM
2835 Mitchell Drive
Walnut Creek CA

Jacobus Technology, Inc.
7901 Beechcraft Avenue
Gaithersburg MD

John Barry and Associates
3020 Newport Blvd.
Newport Beach CA

Johnson, Aaron
3 Hinman Lane
Covello CA

CA

Johnson, Warren
5377 Redding Road
San Diego CA

KBC Advanced Technologies, Inc.
325 Rolling Oaks Drive
Thousand Oaks CA

Khan, Omar
66 Cumberland St.
San Francisco CA

Khater, Akram F.
1327 Dwight Way
Berkeley CA

Kinetics Technology International Corp.
650 Cienega Avenue
San Dimas CA

Knowledge Data Systems, Inc.
80 East Sir Francis Drake Blvd.
Larkspur CA

Knupp, Willard B.
585 Grizzly Peak Blvd
Berkeley CA

L&K International Video Training
285 Evans Avenue
Toronto Ontario

Lavoie, Kathleen L.
P.O. Box 7495
Valejo CA

Lawrence Livermore National Laboratory
Univ. of Calif./Industrial Partnerships & Commercialization
Livermore CA

Leadership Studies, Inc.
230 W.3rd Avenue
Escondido CA

CA

Learning Circle, The
142 North Road

Sudbury Ma

Ledoux and Company, Inc.
359 Alfred Ave.

Teaneck NJ

Lee, Richard D.
7575 Katy Freeway, Apt 111

Houston TX

Linde Ag
1221 West Coast Highway

Newport Beach CA

Litton Industrial Automation Systems, Inc
1301 Harbor Bay Parkway

Alameda CA

Lobo and Associates
810 Serenidad Place

Goleta CA

Lotepro Corporation
115 Stevens Avenue

Valhalla NY

M & M Aerial Surveys, Inc.
6220 - 24th Street

Sacramento CA

MacConnell, James D., & Associates, Inc.
Five Palo Alto Square, Suite 1022

Palo Alto CA

Mackey, Paul V.
726 Marin Drive

Mill Valley CA

McBride, L.D.
39111 Paseo Padre Parkway, Suite 213

Fremont CA

CA

McDonnell Douglas Corp.
3855 Lakewood Blvd.
Long Beach CA

Meridian Data, Inc.
5615 Scotts Valley Drive
Scotts Valley CA

Metcalf & Eddy, Inc.
18006 Skypark Blvd
Irvine CA

MNP Personnel Services
9107 Wilshire Blvd, Suite 250
Beverly Hills CA

Mobil International Petroleum Services, Inc.
3225 Gallows Road, 2C708
Fairfax VA

Moffatt and Nichol International, Inc.
131 Steuart Street, Suite 300
San Francisco CA

Morse, Owen
267 Mar Vista Dr.
Vista CA

Msa Engineering Inc.
3042-B Nelson Avenue
Suisun City CA

Niebuhr, George G.
7 Snowberry Lane
Orinda CA

Nikki Jet Services
513 Marguerita
Santa Monica CA

Olah, Dr. George
Loker Hydrocarbon Research Institute
Los Angeles CA

CA

Operation Technology, Inc.
17870 Skypark Circle, Suite 102
Irvine CA

Oracle Corporation
500 Oracle Parkway; Ms-659604
Redwood Shores CA

Overseas Bechtel, Incorporated
50 Beale Street
San Francisco CA

Pacific Airmotive Corporation
2940 North Hollywood Way
Burbank CA

Pacific Consulting Group
2637 Townsgate Road (Suite 200)
Westlake Village CA

Parsons California, Inc.
100 West Walnut Street
Pasadena CA

Parsons International
100 West Walnut
Pasadena CA

100 West Walnut Street
Pasadena CA

Parsons Process Group, Inc.
5 Greenway Plaza
Houston TX

Pathfinder, Inc.
11 Allison Drive
Cherry Hill NJ

Perry, Charles
12912 Eldorado Avenue
Sylmar CA